

Castaic Lake Water Agency
Los Angeles and
Ventura Counties, California
\$18,600,000 1976 Water Bonds
General Obligation



Sale: January 26, 1977
Bartle Wells Associates



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NEW ISSUE:**Sale Date: January 26, 1977****Castaic Lake Water Agency****Los Angeles and Ventura Counties, California****\$18,600,000 1976 Water Bonds***pub. while water L.A. Co. & Ventura Co. have firm*

The bonds described in the Official Statement are general obligations of the Castaic Lake Water Agency, a special act agency formed under California law to acquire water from the State of California under the state water plan, and to be a wholesale distributor of such water through a system to be acquired or constructed by the agency. Bond proceeds will be used to construct facilities to treat and distribute this water. To secure payment of principal and interest on the bonds, the agency has the power and is obligated to levy ad valorem taxes annually on all taxable property in the agency, without limitation as to rate or amount.

Investment Pub. Secs.

Bonds dated: February 1, 1977

Denomination: \$5,000

Due: February 1, as shown below:

RATINGS:

Moody's _____

Standard & Poor's _____

Year	Amount	Rate	Yield or Price	Year	Amount	Rate	Yield or Price
1980.....	\$ 50,000	%	%	1992.....	\$1,000,000	%	%
1981.....	150,000			1993.....	1,000,000		
1982.....	300,000			1994.....	1,000,000		
1983.....	500,000			1995.....	1,000,000		
1984.....	700,000			1996.....	1,000,000		
1985.....	700,000			1997.....	1,000,000		
1986.....	750,000			1998.....	1,000,000		
1987.....	800,000			1999.....	1,000,000		
1988.....	850,000			2000.....	1,000,000		
1989.....	900,000			2001.....	1,000,000		
1990.....	950,000			2002.....	1,000,000		
1991.....	950,000						

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The bonds are coupon bonds, payable to bearer, or fully registered bonds, interchangeable under the terms of the resolution of issuance. Principal is payable annually beginning February 1, 1980 and interest is payable beginning February 1, 1978 and semiannually thereafter on August 1 and February 1, both at the Corporate Agency Department of Wells Fargo Bank, N.A. in Los Angeles and San Francisco, California, and at offices of co-paying agents, Bankers Trust Company in New York, and Harris Trust and Savings Bank in Chicago.

Bonds maturing on or before February 1, 1986 (bonds numbered 1-630) are not callable prior to maturity. Bonds maturing on or after February 1, 1987 (bonds numbered 631-3,720) are callable pursuant to the terms stated in the Notice Inviting Bids, including payment of a premium.

The agency is offering these bonds for delivery when, as, and if issued, subject to the legal opinion of Rutan & Tucker, bond counsel, Santa Ana, California, approving the validity of the bonds and stating that interest on the bonds is exempt from present federal income taxes and from California personal income taxes under existing statutes, regulations, and court decisions.

Terms and conditions of the offering are fully set forth in the Notice Inviting Bids dated December 8, 1976. Bids will be received on Wednesday, January 26, 1977 at Wells Fargo Bank, Conference Room, 770 Wilshire Boulevard, Seventh Floor, Los Angeles, California, up to 11:00 a.m. Pacific Time. Bids will not be accepted at less than par. Following acceptance of a bid, information on the bond coupon rates, reoffering prices, and bond ratings will be imprinted in the spaces provided on this page.

This page supplements the accompanying Official Statement dated December 30, 1976.

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**OFFICIAL STATEMENT OF
CASTAIC LAKE WATER AGENCY**
Los Angeles and Ventura Counties, California

Organized April 20, 1962

23780 North Pine Street
Newhall, California 91321

BOARD OF DIRECTORS

Earl Schmidt
John S. Fuller, *President*
Garth D. Guise
Kevin G. Lynch
J. H. (Jack) Hutchinson
Charles J. Brogan
Samuel H. Mentemeier
Betty L. Castleberry, *Secretary*

PROFESSIONAL SERVICES

Rutan & Tucker, Santa Ana, *Bond Counsel*
Bookman-Edmonston Engineering, Inc.,
Glendale, *Consulting Engineer*
Burris, Lagerlof, Swift & Senecal,
Los Angeles, *Attorney*
Bartle Wells Associates, San Francisco,
Financing Consultant

This Official Statement provides information about the issuer and its bonds. The Official Statement includes:

1. Data supplied by the issuer and by others, as indicated herein;
2. Estimates or projections which may or may not be realized and which should not be construed as assertions of fact; and,
3. Summaries and descriptions of legal and financial documents, or their contents, which do not purport to describe such documents completely and which are made expressly subject to the full provisions of the documents cited.

The Official Statement does not constitute a recommendation, express or implied, to purchase or not to purchase these bonds or any other previous bonds of the issuer.

The date of this Official Statement is December 30, 1976.

Prepared on behalf of issuer by
BARTLE WELLS ASSOCIATES
Municipal Financing Consultants
100 Bush Street, San Francisco, California 94104
(415) 981-5751

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INTRODUCTION

Issuer: Castaic Lake Water Agency is a special act agency formed in 1962 under California law to acquire water from the State of California under the state water plan and to be a wholesale distributor of such water. The agency encompasses 195 square miles and is located in northwestern Los Angeles County. Approximately 13 square miles of the agency's territory extend into Ventura County.

Purpose: The bonds will be used to finance construction of facilities to treat and distribute water purchased from the state water project. The agency's project consists of a water treatment plant, pumping plant, and transportation pipelines. General obligation bonds in the amount of \$18.6 million were authorized at a special election June 8, 1976. The agency has acquired and financed from tax revenues a 30-acre treatment plant site.

Security: The bonds are general obligation bonds. Bond service will be paid by an ad valorem tax on all taxable property in the agency without limitation as to rate or amount. The agency's financing plan anticipates that a level tax rate of \$0.98 each year will be sufficient to pay bond service and other agency expenses, as described in the section entitled "The Project."

Economic Factors: The agency's 1976/77 assessed valuation is \$250,472,614, and the 1975 population was estimated at 65,953 by the Los Angeles County Department of Regional Planning. The northwesterly portion of Los Angeles County within Castaic Lake Water Agency is known as the Santa Clarita Valley. The unincorporated communities of Newhall, Saugus, Valencia, and Canyon Country lead Los Angeles County in building permit valuation for the first ten months of 1976, with 14 percent of the county's total. Development activity is largely centered in the planned community of Valencia, the Valencia Industrial Park, and at the amusement center called Magic Mountain.

Corporations in the agency include Lockheed-Rye Canyon Research Center, Hydraulic Research and Manufacturing Company, Newhall Land and Farming Company, Bermite Division of Whittaker, Thatcher Glass Manufacturing Company, Newhall Refining Company, Keysor-Century Corporation, and Sperry Univac. Newhall Land and Farming Company owns Magic Mountain, Valencia Industrial Park, and is the developer of Valencia. The company accounts for about 7 percent of the agency's assessed valuation.

The introduction is not a summary of the Official Statement. Information presented in this section is treated more completely elsewhere in this Official Statement, which should be read in its entirety.



LEGEND



CASTAIC LAKE WATER AGENCY.

NOTE

BASE MAP ADAPTED FROM MAP OF REGIONAL PLANNING COMMISSION, COUNTY OF LOS ANGELES.

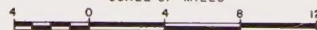
CASTAIC LAKE WATER AGENCY

VICINITY MAP

BOOKMAN-EDMONSTON ENGINEERING, INC.
GLENDALE, CALIFORNIA

APRIL 1976

SCALE OF MILES



THE BONDS

\$18,600,000 Castaic Lake Water Agency 1976 Water Bonds (general obligations).

Denomination: \$5,000

Date: February 1, 1977

Estimated Annual Bond Service:

Fiscal Year	Principal Maturing February 1	Interest Estimated at 6.5 Percent*	Total Estimated Bond Service
1977/78.....\$	—	\$ 1,209,000	\$ 1,209,000
1978/79.....	—	1,209,000	1,209,000
1979/80.....	50,000	1,209,000	1,259,000
1980/81.....	150,000	1,205,750	1,355,750
1981/82.....	300,000	1,196,000	1,496,000
1982/83.....	500,000	1,176,500	1,676,500
1983/84.....	700,000	1,144,000	1,844,000
1984/85.....	700,000	1,098,500	1,798,500
1985/86.....	750,000	1,053,000	1,803,000
1986/87.....	800,000	1,004,250	1,804,250
1987/88.....	850,000	952,250	1,802,250
1988/89.....	900,000	897,000	1,797,000
1989/90.....	950,000	838,500	1,788,500
1990/91.....	950,000	776,750	1,726,750
1991/92.....	1,000,000	715,000	1,715,000
1992/93.....	1,000,000	650,000	1,650,000
1993/94.....	1,000,000	585,000	1,585,000
1994/95.....	1,000,000	520,000	1,520,000
1995/96.....	1,000,000	455,000	1,455,000
1996/97.....	1,000,000	390,000	1,390,000
1997/98.....	1,000,000	325,000	1,325,000
1998/99.....	1,000,000	260,000	1,260,000
1999/00.....	1,000,000	195,000	1,195,000
2000/01.....	1,000,000	130,000	1,130,000
2001/02.....	1,000,000	65,000	1,065,000
	<u>\$18,600,000</u>	<u>\$19,259,500</u>	<u>\$37,859,500</u>

* Bond interest has been estimated at the annual rate shown. Actual coupon rates will be set by competitive bid and may vary from the annual rate estimated. As a result, both interest and bond service may differ from the annual amounts estimated.

Interest: Coupons payable February 1, 1978 and semiannually thereafter on August 1 and February 1.

Redemption: Bonds maturing 1980-1986 (\$3,150,000 principal amount) not callable. Bonds maturing 1987-2002 (\$15,450,000 principal amount) callable as a whole or in part on any interest payment date on or after February 1, 1986, in inverse order of maturity and by lot within each maturity. Premium is ½ of 1 percent for each year or portion of a year from date of redemption to date of maturity, with a maximum of 4 percent.

Registration: Coupon bonds or fully registered bonds, interchangeable under the terms of the resolution of issuance.

Payment: At the Corporate Agency Department of Wells Fargo Bank, N.A., Los Angeles and San Francisco, and at the principal offices of co-paying agents in New York and Chicago.

Tax Status: In the opinion of bond counsel, interest is exempt from present federal income taxes and from California personal income taxes under existing statutes, regulations, and court decisions.

Authority for Issuance: \$18,600,000 general obligation bonds were authorized at a special election June 8, 1976. Bonds issued pursuant to the Castaic Lake Water Agency Act (California Water Code Appendix Chapter 103) and resolution of issuance dated December 8, 1976.

Purpose: Bond proceeds will be used to construct facilities to treat and distribute water purchased from the California state water project.

Security: General obligations of Castaic Lake Water Agency. The agency has the power and is obligated to levy ad valorem taxes for the payment of principal and interest on the bonds upon all taxable property within the agency without limitation as to rate and amount. To service the bonds, the agency intends to apply revenues from the sale of water, as described in the section entitled "The Project."

Additional Bonds: No additional bonds are authorized, and no bond elections are planned.

Sale of the Bonds: The initial offering of these bonds is made in accordance with the Notice Inviting Bids dated December 8, 1976. Matters discussed in this section are expressly subject to the terms and conditions of said Notice Inviting Bids, to which reference should be made for further detail.

Legality for Investment: The bonds are legal investments in California for trust funds, commercial banks, trust companies, and funds of insurance companies.

Legal Opinion: The opinion of Rutan & Tucker, bond counsel, of Santa Ana, California, will be furnished to the successful bidder and printed on each bond at agency's expense.

The statements of law and legal conclusions set forth in the Official Statement under the heading "The Bonds" have been reviewed by bond counsel. Bond counsel's employment is limited to a review of the legal procedures required for the bonds and to rendering an opinion as to the validity of the bonds and exemption of interest on bonds from income taxation. The opinion of bond counsel will not consider or extend to any documents which bond counsel did not prepare or review or to any

agreements, representations, offering circulars, or other material of any kind concerning the bonds not mentioned in this paragraph.

Closing Documents: At the time of delivery of the bonds to the successful bidder, in addition to customary closing documents, the issuer will furnish the following documents:

- *No Litigation Certificate:* A statement by bond counsel to the effect that no litigation is pending or in progress concerning the validity of the bonds.
- *Certificate Concerning Official Statement:* A certificate, signed by a responsible official representing the issuer, to the effect that to the best of his or her knowledge and belief, and after reasonable investigation: (a) neither the Official Statement nor any amendment or supplement thereto contains any untrue statement of a material fact or omits to state any material fact necessary to make the statements therein, in light of the circumstances in which they were made, not misleading; (b) since the date of the Official Statement no event has occurred which should have been set forth in an amendment or supplement to the Official Statement; and (c) there has been no material adverse change in the operation of financial affairs of the agency since the date of such Official Statement.

The Castaic power plant, located in Castaic Lake Water Agency, is operated by the Los Angeles Department of Water & Power. The plant provides power for the California State Water Project. *Department of Water Resources photo.*



Castaic Lake Water Agency was incorporated to acquire water from the state’s Department of Water Resources under the state water plan. The agency is empowered to acquire or construct a system to distribute the state water on a wholesale basis. Proceeds from the sale of these bonds will be used to construct facilities to transport and treat water from the state water project. The water will be delivered to four local water distribution agencies providing retail domestic water service in the area. The imported water will reduce overdrafts on the area’s groundwater supplies, which are becoming inadequate in both quantity and quality, and upgrade the quality of water delivered to consumers.

The elements of the project are the Castaic water treatment plant, the Castaic conduit, Newhall and Honby laterals, and the Castaic pumping plant and discharge line. The treatment plant, located near Castaic Dam, will make state project water suitable for domestic use. The conduit and laterals are pipelines to carry treated water from the treatment plant to delivery points near Newhall and Honby. The pumping plant will pump water from Castaic reservoir to the treatment plant when the water level is too low to permit gravity delivery. The entire project is expected to be completed by late summer of 1979.

The ultimate capacity of the project is 50 million gallons per day (mgd). The treatment and pumping plants will have an initial capacity of 12.5 mgd, designed to be readily expanded to 25 mgd. The upper portion of the Castaic conduit will be built to full capacity (50 mgd), while initially the remaining pipelines will be built to half capacity. According to the engineer’s report, the water treatment plant and pumping plant, with capacities of 12.5 mgd, will meet the agency’s needs until about 1988,

based upon peak daily demand. The portions of the pipelines built to half capacity should be adequate until about 1998, and those built to full capacity until about 2006.

Estimated project costs are shown in the accompanying table. As of December 1976, the agency had acquired about 80 percent of the rights-of-way for the Castaic conduit and all of the treatment plant site. Remaining right-of-way costs will be financed from tax revenues or contingency allowances in the bond issue.

**CASTAIC LAKE WATER AGENCY
\$18,600,000 1976 WATER BONDS
ALLOCATION OF BOND PROCEEDS**

Estimated Construction Costs	
Castaic conduit	\$ 4,300,000
Honby lateral	1,230,000
Newhall lateral	700,000
Castaic pumping plant.....	550,000
Castaic treatment plant.....	6,880,000
Allowance for turnouts and emergency connection	400,000
Contingency at 15%.....	2,110,000
	\$16,170,000
 Engineering, legal, administrative, and financing at 15%.....	
	\$ 2,430,000
Total	
	\$18,600,000

Source: Bookman-Edmonston Engineering, Inc.

Bookman-Edmonston Engineering, Inc., of Glendale, California, is the agency's engineer. It is currently designing the project elements, and will receive construction bids during 1977. An environmental impact report was processed in accordance with the California Environmental Quality Act before the bond election.

The first element to be constructed will be the Honby lateral, scheduled for completion in the summer of 1977. If drought conditions make it necessary to provide interim delivery of untreated water for groundwater recharge prior to completion of the agency's treatment plant, an interim connection can be made between this line and another belonging to The Metropolitan Water District of Southern California, another water wholesaler. This would require that suitable arrangements be made with Metropolitan.

PROJECTED WATER DELIVERIES

The agency will function as a wholesaler, buying water from the state and selling treated water to the four purveyors listed below:

Water Purveyor	Number of Service Connections November 1976
Newhall County Water District.....	3,500
Santa Clarita Water Co.....	10,000
Valencia Water Co.....	3,950
Los Angeles County Water Works District No. 36.....	250

Santa Clarita and Valencia Water Companies, which account for 80 percent of the estimated water sales in 1980, have signed letters of intent to purchase state water from Castaic Lake Water Agency. The Los Angeles County engineer's office has signed a letter indicating the intent of the staff to recommend water purchase, and the staff of Newhall County Water District has verbally indicated that it expects to purchase state project water from Castaic Lake Water Agency. All have indicated conceptual agreement with the contracting principles for the sale of state project water by Castaic Lake Water Agency. These contracting principles specify that the purveyors will sign agreements guaranteeing the purchase of agreed upon quantities of water for the years 1980 through 1985. After the first six years, the purveyors have no commitment to purchase. However, the agency intends to sell and contractors intend to purchase water on the mutually agreeable basis under extensions to the contracts. The contracting principles call for an initial price for water of \$65 per acre-foot, increasing generally at a rate equal to the rate of increase in the agency's opera-

tion and maintenance costs. At the times the contracts are signed, the rates will be fixed for the years through 1985. Subsequent rates will be established by the agency board of directors as the contracts are extended. The contracting principles call for future increases in rates to be sufficient to offset increases in operating costs.

Contract negotiations are underway and water service contracts will be signed by existing water purveyors by early 1977. The accompanying table shows the engineer's latest estimates of projected water demand, based on information from the water purveyors.

CASTAIC LAKE WATER AGENCY PROJECTED IMPORTED WATER DEMAND (Acre-Feet)

Year	Valencia Water Company ^①	Santa Clarita Water Co. ^②	Newhall Co. Water District ^③	Los Angeles County ^④	Rounded Total
1980.....	1,000	5,000	1,000	500	7,500
1981.....	1,700	5,500	1,140	510	8,900
1982.....	2,400	6,000	1,270	510	10,200
1983.....	3,100	6,500	1,410	520	11,500
1984.....	3,800	7,000	1,550	520	12,900
1985.....	4,500	7,500	1,690	530	14,200
1986.....	4,500	8,000	1,820	540	14,900
1987.....	4,500	8,500	1,960	540	15,500
1988.....	4,500	9,000	2,100	550	16,200
1989.....	4,500	9,500	2,230	550	16,800
1990.....	4,500	10,000	2,370	560	17,400

① Letter of intent specifies indicated purchase through 1985 and states intent to purchase at least 4,500 acre-feet per year thereafter.

② Letter of intent specifies indicated purchase commitment through 1990.

③ Oral indication of purchase of 1,000 acre-feet per year initially. Amounts after 1980 estimated by Bookman-Edmonston Engineering, Inc. based on estimated growth in total water use by district.

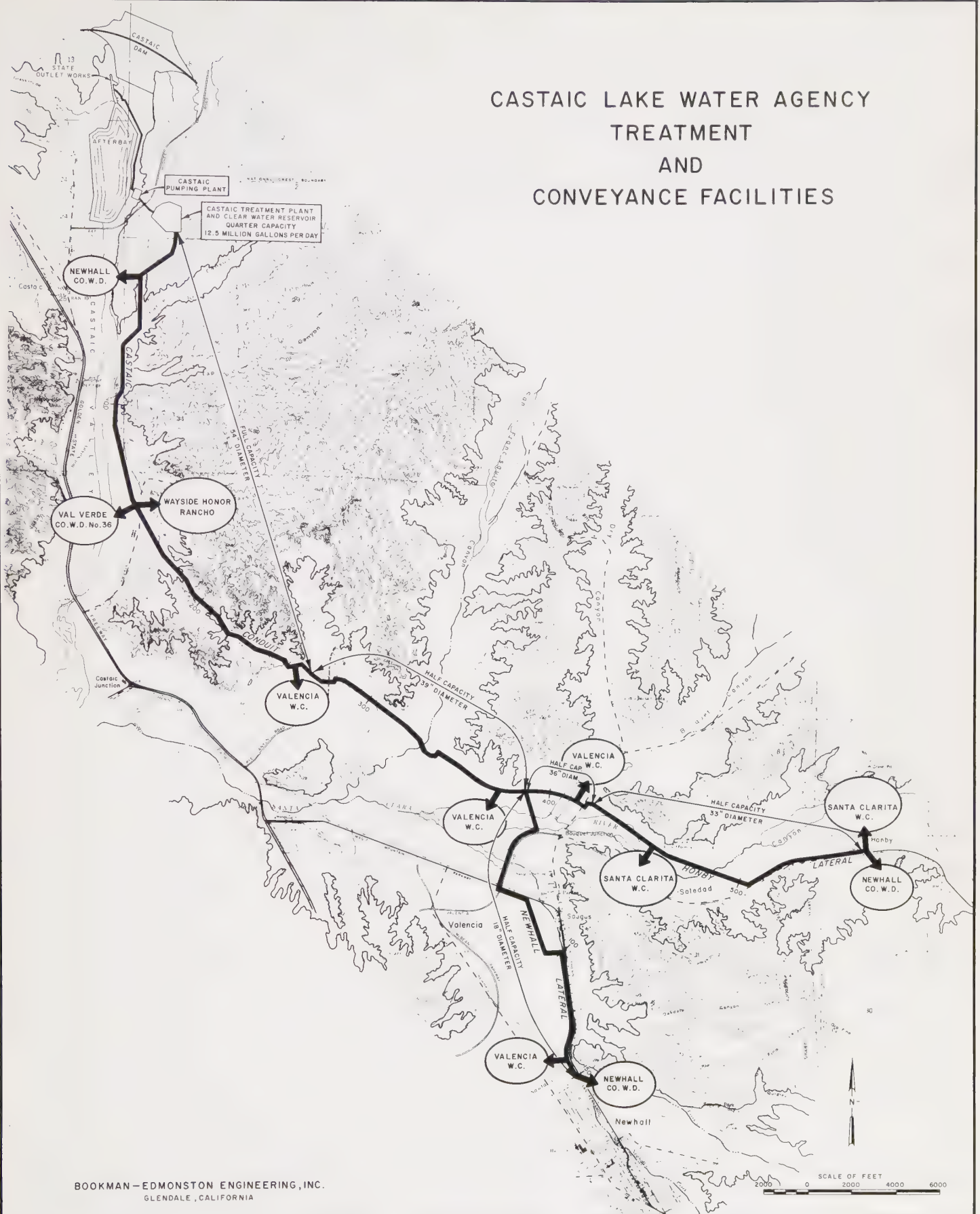
④ Letter from county engineer's office indicates intent to recommend to board of supervisors that the county purchase a minimum of 500 acre-feet per year in early years of the project and increase the purchase quantities in subsequent years. Amounts after 1980 projected by Bookman-Edmonston Engineering, Inc. based on estimated growth in water use by county.

Source: Bookman-Edmonston Engineering, Inc.

THE STATE WATER PROJECT

The California state water project is designed to deliver 4,230,000 acre-feet of water per year from northern California to water-deficient areas in central and southern California. Construction of the project was authorized by the California legislature in 1951. The Burns-Porter Act, enacted by the legislature in 1959, authorized issuance of \$1.75 billion in state general obligation

CASTAIC LAKE WATER AGENCY TREATMENT AND CONVEYANCE FACILITIES



BOOKMAN-EDMONSTON ENGINEERING, INC.
GLENDALE, CALIFORNIA

bonds to finance construction of the major portion of the project. The bond issue was approved by the voters in 1960. Tideland oil revenues are also helping to finance the state water project, as well as \$384 million in revenue bonds supported by revenues from electric energy facilities which are part of the project.

Thirty-one local agencies, including Castaic Lake Water Agency, have executed contracts with the State of California to purchase water transmitted through the state water project. The primary transportation facility of the state water project is the California Aqueduct. The west branch of the aqueduct terminates at the state's Castaic Lake reservoir, from which the agency will obtain state project water.

The contracts between the state and state water contracts call for two categories of repayment, for conservation facilities and for transportation facilities. Conservation facilities are those facilities which develop the water supply, while transportation facilities convey the water to the users.

Costs of conservation facilities are repaid through a Delta water charge, a charge for water used, sufficient to pay all costs of construction, operation, and maintenance on the conservation facilities. To insure an adequate flow of revenues to the state, each contractor designates an annual entitlement, the amount of water the contractor is required to take each year. Each contractor must pay a minimum annual Delta water charge, based upon its annual entitlement.

Transportation facilities costs are repaid by the transportation charge, which is based on each contractor's proportionate use of transportation facilities. The transportation charge includes a fixed capital component to repay construction costs, a fixed minimum operation and maintenance component (OMPR), and a variable OMPR component. The minimum OMPR component represents those operation and maintenance costs which are relatively fixed and independent of the amount of water delivered. The variable OMPR component includes operating costs, principally power and energy for pumping, which vary with actual water use. These costs are allocated to the contractors based upon their actual use, by annually established rates per acre-foot for each pumping plant.

THE AGENCY'S CONTRACT WITH THE STATE

Castaic Lake Water Agency entered into a contract with the state on April 30, 1963. Its annual entitlements, shown in the accompanying table through 1991, build up to 41,500 acre-feet and remain at that level. The table also shows Castaic Lake Water Agency's fixed and variable costs. The figures, at 1976 price levels, are from the Department of Water Resources Bulletin No. 132-76, the department's annual report on the state water project, and were compiled by Bookman-Edmonston Engineering, Inc.

CASTAIC LAKE WATER AGENCY STATE CONTRACT ENTITLEMENTS AND COSTS

Year	Annual Entitlement (af)	Delta Water Charge		Transportation Costs (000)		Total Fixed Costs (000)*	Unit Variable Costs (\$/af)
		Unit Rate (\$/af)	Charge (000)	Capital Component	Minimum OMPR		
1976.....	9,500	\$ 9.80	\$ 93	\$ 866	\$245	\$1,204	\$ 5.22
1977.....	11,400	9.40	107	878	228	1,213	2.32
1978.....	13,400	9.40	126	897	238	1,261	4.24
1979.....	15,300	9.40	144	937	235	1,316	1.36
1980.....	17,700	9.40	166	984	234	1,384	1.19
1981.....	20,100	9.40	189	1,015	241	1,445	- 0.53
1982.....	22,100	9.40	208	1,028	251	1,487	1.24
1983.....	24,600	9.40	231	1,037	288	1,556	34.94
1984.....	26,900	13.18	355	1,044	298	1,697	34.91
1985.....	29,100	13.18	384	1,051	293	1,728	39.78
1986.....	30,900	13.18	407	1,055	284	1,746	42.20
1987.....	32,900	13.18	434	1,055	306	1,795	39.78
1988.....	35,300	16.86	595	1,055	299	1,949	44.90
1989.....	37,400	16.86	631	1,055	309	1,995	49.85
1990.....	39,300	16.86	663	1,055	274	1,992	48.64
1991.....	41,500	16.86	700	1,055	303	2,058	49.84

* Sum of Delta water charge and both transportation charges.

Source: Prepared by Bookman-Edmonston Engineering, Inc. from California Department of Water Resources Bulletin 132-76.

**CASTAIC LAKE WATER AGENCY
PROJECTED STATE AND AGENCY EXPENSES**

Year	Water Deliveries ^① (af)	State Costs		Agency Costs				Total Annual Costs (000)
		Variable Costs (000)	Fixed Costs ^② (000)	Variable Costs		Fixed Costs (000)	Bond Service (000)	
				\$/af	Cost (000)			
1976.....	—	\$ —	\$1,224	\$ 9.72	\$ —	\$ 54	\$ —	\$1,278
1977.....	—	—	1,252	10.50	—	58	—	1,310
1978.....	—	—	1,326	11.34	—	63	1,209	2,598
1979.....	—	—	1,410	12.24	—	68	1,209	2,687
1980.....	7,500	9	1,513	13.22	99	614 ^③	1,259	3,494
1981.....	8,900	— 5	1,614	14.28	127	663	1,356	3,755
1982.....	10,200	13	1,698	15.42	157	716	1,496	4,080
1983.....	10,840	379	1,837	16.66	181	774	1,677	4,848
1984.....	10,840	378	2,034	17.99	195	836	1,844	5,287
1985.....	10,840	431	2,111	19.43	211	902	1,799	5,454
1986.....	10,840	457	2,170	20.98	227	975	1,803	5,632
1987.....	10,840	431	2,306	22.66	246	1,053	1,804	5,840
1988.....	10,840	487	2,509	24.48	265	1,137	1,797	6,195
1989.....	10,840	540	2,640	26.43	287	1,228	1,789	6,484
1990.....	10,840	527	2,633	28.55	310	1,326	1,727	6,523
1991.....	10,840	540	2,839	30.83	334	1,432	1,715	6,860
1992.....	10,840	548	3,161	33.30	361	1,547	1,650	7,267
1993.....	10,840	584	3,086	35.96	390	1,670	1,585	7,315
1994.....	10,840	587	3,185	38.84	421	1,804	1,520	7,517
1995.....	10,840	591	3,470	41.95	455	1,984	1,455	7,955

① From purveyors' letters of intent to purchase state water.

② Costs for DWR Bulletin 132-76 inflated by engineer 8% per year for operation and maintenance, 5% per year for future construction costs.

③ Cost increases due to start-up on treatment plant.

Source: Bookman-Edmonston Engineering, Inc.

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PROJECTED COSTS

The accompanying table projects state and agency costs, as estimated by Bookman-Edmonston Engineering, Inc. The fixed state costs are based upon Department of Water Resources Bulletin 132-76 inflated by the engineer 8 percent per year for operation and maintenance and 5 percent per year for capital costs. The water deliveries are based upon water purveyors' verbal indications or letters of intent to purchase the state water supplied by Castaic Lake Water Agency.

The agency costs include all the expenses of operation and maintenance of agency facilities, administration, and bond service. The increase in agency costs in 1980 coincides with the start-up operation of the treatment plant and its personnel costs.

STATE WATER PROJECT POWER COSTS

Electric power costs for pumping on the state water project are scheduled for renegotiation in 1978, with the new rates to take effect in 1983. The new rates will depend partly upon the rate of construction of generating facilities, partly upon the type of facilities constructed, and partly upon whether they are publicly or privately

financed. Although the extent of any change in applicable electric power rates cannot be precisely estimated at this time, electric power costs for the state water project are expected to rise substantially in 1983. Electric power costs are the major component of the variable OMPR. The table entitled "State Contract Entitlements and Costs," shows an increase in 1983 in variable costs from \$1.24 to \$34.94 per acre-foot for Castaic Lake Water Agency. The effect of such cost increases on sales of water by the agency or the average price at which the agency can sell water also cannot be precisely estimated at this time.

**THE CASTAIC LAKE WATER AGENCY
FINANCING PLAN**

Bartle Wells Associates and Bookman-Edmonston Engineering, Inc. prepared the agency's financing plan. The financing plan is based on estimates and projections of water sales and tax receipts. Projections of tax receipts are in turn based upon estimates of assessed valuation and tax delinquency. These projections or estimates may or may not be realized in the future. Because actual experience may differ from projections, the tax rate for

bond service, the amount of taxes actually collected, and the water sales revenue in any year may vary from the rates or the amounts estimated.

The table below, prepared by Bartle Wells Associates, projects revenues and expenses through 1995/96. The agency's revenue sources are water sales and ad valorem taxes. Water sales revenue projections are based upon water purveyors' letters of intent or verbal indications. Projections are based upon annual deliveries of 10,840 acre-feet, although current projections of water sales exceed this amount. The water rates charged by the agency after 1982/83 have been estimated by Bookman-Edmonston Engineering, Inc. based upon its estimates of increases in state and agency costs. These rates are subject to negotiation between the agency and the water purveyors that it serves. Rates through 1985 will be fixed in the contracts to be entered into between the agency and the purveyors.

The agency plans to levy a \$0.98 tax rate beginning in 1977/78. During that year the tax is expected to raise \$2,472,000 based upon projected assessed valuation, allowing for 3 percent delinquency. During the early years of the project, the financing plan anticipates that the \$0.98 tax rate will meet expenses and produce rev-

enues sufficient to carry the agency through the years of peak bond service. When bond service declines, the agency may reduce its tax rate, or maintain it at the same rate and use the revenue exceeding debt service for operation or capital expenditure.

The financing plan assumes that the assessed valuation will increase from the base year 1976/77 at 4 percent in 1977/78 and 5 percent thereafter. An additional increase is assumed for population growth beginning at \$2,200 per capita, also inflated at 5 percent per year. Actual assessed valuation in the agency has increased at an average annual compounded rate of 7.4 percent since 1970/71; the increase from 1975/76 to 1976/77 was 8.5 percent. Actual assessed valuations are shown in the section entitled "Agency Organization and Financial Data."

The table includes interest on the prior year's balance. It does not include interest earned on the reinvestment of bond proceeds. Earnings on such reinvestment, based on the engineer's estimate of construction expenditures, are estimated at \$800,000 over the three-year construction period. The table also does not assume any starting balance. The agency's estimated general fund balance as of September 1, 1976 was \$781,000.

CASTAIC LAKE WATER AGENCY COMBINED REVENUES AND EXPENSES

Fiscal Year	Water Sales			Tax Revenue		Interest on Balance ^⑤ (\$000)	Total Revenue (\$000)	Total Expenses (\$000)	Net Revenue (\$000)	Cumulative Balance (\$000)
	Deliveries (af) ^①	Rate \$/af ^②	Revenues (\$000)	Projected AV ^③ (\$000)	Tax Levy at \$0.98/ \$100 AV ^④ (\$000)					
1977/78.....	—	\$ —	\$ —	\$260,000	\$2,472	\$ —	\$2,472	\$1,310	\$1,162	\$1,162
1978/79.....	—	—	—	275,000	2,614	46	2,660	2,598	62	1,224
1979/80.....	—	—	—	292,000	2,776	49	2,825	2,687	138	1,362
1980/81.....	7,500	65	488	310,000	2,947	54	3,489	3,494	(5)	1,357
1981/82.....	8,900	65	579	330,000	3,137	54	3,770	3,755	15	1,373
1982/83.....	10,200	65	663	352,000	3,347	55	4,065	4,080	(15)	1,358
1983/84.....	10,840	100	1,084	374,000	3,555	54	4,693	4,848	(155)	1,203
1984/85.....	10,840	101	1,095	398,000	3,783	48	4,926	5,287	(361)	842
1985/86.....	10,840	107	1,160	423,000	4,021	34	5,215	5,454	(239)	603
1986/87.....	10,840	111	1,203	454,000	4,316	24	5,543	5,632	(89)	514
1987/88.....	10,840	111	1,203	488,000	4,639	21	5,863	5,840	23	536
1988/89.....	10,840	117	1,268	524,000	4,981	21	6,270	6,195	75	611
1989/90.....	10,840	124	1,344	560,000	5,323	24	6,691	6,484	207	818
1990/91.....	10,840	125	1,355	599,000	5,694	33	7,082	6,523	559	1,377
1991/92.....	10,840	129	1,398	634,000	6,027	55	7,480	6,860	620	1,997
1992/93.....	10,840	132	1,431	670,000	6,369	80	7,880	7,267	613	2,610
1993/94.....	10,840	138	1,496	709,000	6,740	104	8,340	7,315	1,025	3,636
1994/95.....	10,840	141	1,528	749,000	7,120	145	8,793	7,517	1,276	4,912
1995/96.....	10,840	145	1,572	791,000	7,519	196	9,287	7,955	1,332	6,244

① From purveyors' letters of intent to purchase state project water.

② Rates after 1983 subject to negotiation prior to execution of contracts.

③ Projected at 5% per year, plus \$2,200 per capita increased at 5% per year.

④ Net after delinquencies at 3% of tax levy.

⑤ 5% interest on 80% of prior year's cumulative balance.

Source: Prepared by Bartle Wells Associates from data provided by Bookman-Edmonston Engineering, Inc.

AGENCY ORGANIZATION AND FINANCIAL DATA

FORMATION AND ORGANIZATION

Castaic Lake Water Agency was formed April 20, 1962 by a special act of the California legislature (California Water Code Appendix Chapter 103). Its original name was Upper Santa Clara Valley Water Agency, which was changed to Castaic Lake Water Agency in 1970. The agency is governed by a seven-member board of directors, elected for staggered four-year terms. The agency is divided into three divisions. Two directors are elected from each division, and one is elected at large. The current directors are:

John S. Fuller, president of the board of directors, has served on the Castaic Lake Water Agency board for over ten years. He has also been a member of the board of trustees of the Newhall Elementary School District for ten years. He is senior vice president and secretary-treasurer of Valley Federal Savings and Loan Association and represents Division 2.

Kevin G. Lynch, vice president of the board of directors, is an attorney and partner in the law firm of Lewis, Varni, Ghirardelli, Lynch and Walsh. He is the past president of the San Fernando Valley Bar Association.

Mr. Lynch was elected for his third term as an agency director in November 1976 representing Division 1.

Garth D. Guise, treasurer of the board of directors, has been a director for seven years and farm manager for the County of Los Angeles in charge of Wayside Honor Rancho for twenty-six years. He represents Division 3 of the agency.

Earl Schmidt, representing Division 3, has served on the Castaic Lake Water Agency board fourteen years and served six years as president. Mr. Schmidt is a retired rancher and real estate salesman.

J. H. (Jack) Hutchinson, representing Division 1, is a registered civil engineer with the U. S. Army Corps of Engineers. He has served on the board since 1970.

Charles J. Brogan, director at large, is an environmental engineer employed by the City of Los Angeles. Mr. Brogan was elected to the board in 1974.

Samuel H. Mentemeier, representing Division 2, is a geophysicist for Texaco, Inc. He is the most recent addition to the board, elected in November 1976.

Betty L. Castleberry, secretary of the board of directors, has been the agency's secretary for the past ten

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Aerial view of Castaic Lake, terminus of the west branch of the California Aqueduct. Castaic Lake Water Agency will use bond proceeds to build water treatment and pumping plants adjacent to Castaic Lake, and transmission facilities to deliver treated state project water to its customers. *Department of Water Resources photo.*



years. She is responsible for the management and staffing of the agency's office.

The law firm of Burris, Lagerlof, Swift & Senecal of Los Angeles is the agency's attorney and has represented the agency for the past twelve years.

Bartle Wells Associates of San Francisco is the agency's financial consultant.

The engineering firm of Bookman-Edmonston Engineering, Inc. of Glendale has been the engineering consultant for the agency since its inception in 1962 and is primarily responsible for the design of the water distribution system.

The agency plans to hire a manager during 1977.

OPERATING STATEMENTS

The accompanying tables summarize Castaic Lake Water Agency's financial position for the past three fiscal years. The tables were prepared by Bartle Wells Associates from the agency's audits, and include a balance sheet, statement of changes in financial position, and statement of utility plant costs incurred.

Since execution of the contract with the state in April 1963, the agency has not actually received or sold any water and will not until construction on the current project enables delivery of water. To date the agency has incurred expenses for the purchase of capacity rights in the

CASTAIC LAKE WATER AGENCY BALANCE SHEET

	June 30 1974	June 30 1975	June 30 1976
ASSETS			
Utility Plant, at cost			
Capacity rights in California state water project	\$5,318,145	\$6,433,179	\$ 7,644,942
Land	97,399	97,399	97,399
Distribution system	356,766	356,766	356,766
Castaic turnout	287,165	287,165	336,532
Right-of-way acquisition	73,500	73,500	73,500
Engineering, legal, and overhead	208,081	231,315	327,484
Office equipment	1,597	1,597	2,384
Total Utility Plant, at Cost	\$6,342,653	\$7,480,921	\$ 8,839,007
Current Assets			
Cash	\$ 4,543	\$ 373	\$ 1,392
Time certificates of deposit	1,052,300	1,145,550	1,303,000
Accrued interest receivable	15,430	17,170	14,334
Taxes receivable, less allowance for uncollectable taxes	96,973	63,012	61,967
Total Current Assets	\$1,169,246	\$1,226,105	\$ 1,380,693
Total Assets	\$7,511,899	\$8,707,026	\$10,223,346
LIABILITIES, RESERVES, AND FUND BALANCES			
Current Liabilities			
Accounts payable	\$ 57,675	\$ 11,368	\$ 12,095
Contract payable	496,286	479,939	500,796
Total Current Liabilities	\$ 553,961	\$ 491,307	\$ 512,891
Reserve and Fund Balances			
Reserve for capital outlay	\$ 547,985	\$ 646,953	\$ 749,135
Invested in utility plant	6,342,653	7,480,921	8,839,007
State contract fund	67,300	87,845	122,313
Total Reserves and Fund Balances	\$6,957,938	\$8,215,719	\$ 9,710,455
Total Liabilities, Reserves, and Fund Balances	\$7,511,899	\$8,707,026	\$10,223,346

Source: This table has been developed by Bartle Wells Associates from financial reports of the issuer audited by Diehl, Evans and Company. Complete copies of the audited financial report for the year ending June 30, 1976 are available from the issuer upon request.

**CASTAIC LAKE WATER AGENCY
STATEMENT OF CHANGES IN FINANCIAL POSITION**

	1973/74	1974/75	1975/76
SOURCE OF WORKING CAPITAL			
Property taxes	\$1,086,679	\$1,100,788	\$1,313,932
State subventions	143,431	156,993	180,804
Total Source of Working Capital	\$1,230,110	\$1,257,781	\$1,494,736
DISPOSITION OF WORKING CAPITAL			
Addition to capacity rights	\$1,119,315	\$1,115,034	\$1,211,763
Addition to Castaic turnout	—	—	49,367
Purchase of office equipment	—	—	787
Addition to engineering legal, and overhead	46,118	23,234	96,169
Expenditures for bond issue costs	—	—	3,646
Total Disposition of Working Capital	\$1,165,433	\$1,138,268	\$1,361,732
Increase in Working Capital	\$ 64,677	\$ 119,513	\$ 133,004
Increase in Working Capital is Reflected by the Following Increases (Decreases):			
CURRENTS ASSETS			
Cash	\$ (5,414)	\$ (4,170)	\$ 1,019
Time certificate of deposit	88,300	93,250	157,450
Accrued interest receivable	13,905	1,740	(2,836)
Taxes receivable	23,086	(33,961)	(1,045)
Increase in Current Assets	\$ 119,877	\$ 56,859	\$ 154,588
CURRENT LIABILITIES			
Accounts payable	\$ 49,237	\$ (46,307)	\$ 727
Contracts payable	5,963	(16,347)	20,857
Increase (Decrease) in Current Liabilities	\$ 55,200	\$ (62,654)	\$ 21,584
Increase in Working Capital	\$ 64,677	\$ 119,513	\$ 133,004

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Source: This table has been developed by Bartle Wells Associates from financial reports of the issuer audited by Diehl, Evans and Company. Complete copies of the audited financial report for the year ending June 30, 1976 are available from the issuer upon request.

**CASTAIC LAKE WATER AGENCY
STATEMENT OF UTILITY PLANT COSTS INCURRED**

	1973/74	1974/75	1975/76
ENGINEERING, LEGAL, AND OVERHEAD			
Engineering fees	\$ 76,025	\$ 34,795	\$ 108,151
Legal fees	8,812	19,937	19,941
General and administrative	16,920	33,443	32,915
Total Engineering, Legal and Overhead	\$ 101,757	\$ 88,175	\$ 161,007
Payments on water supply contract	\$1,119,315	\$1,115,034	\$1,211,763
Castaic turnout addition	—	—	49,367
Purchase of office equipment	—	—	787
Total Utility Plant Costs Incurred	\$1,221,072	\$1,203,209	\$1,422,924
Less interest income	\$ 55,639	\$ 64,941	\$ 64,838
Net Utility Plant Costs Incurred	\$1,165,433	\$1,138,268	\$1,358,086

Source: This table has been developed by Bartle Wells Associates from financial reports of the issuer audited by Diehl, Evans and Company. Complete copies of the audited financial report for the year ending June 30, 1976 are available from the issuer upon request.

state water project and for administration and engineering in connection with the current project.

As shown by the balance sheet, the agency's largest asset is capacity rights purchased in the state water project. The other two tables show that most of the agency's revenues during these three years have been expended for the purchase of these capacity rights. The accounting policy of the agency is that all payments will be capitalized until delivery and sale of water commences; then they will be amortized to income over the life of the contract, which extends until 2035. Total projected payments to be made by the agency for capital costs, operation, maintenance, power, and replacement for the period 1963 through 2035 total \$169,819,193, based upon an adjusted schedule received from the state. As of June 30, 1976, the agency had paid or accrued \$7,644,942 under terms of the contract. The agency's budget for

1976/77 is also shown. The budget includes \$2.9 million of expenses related to the construction project to be funded from bond proceeds.

AGENCY DEBT

The act creating Castaic Lake Water Agency authorizes it to issue bonds, borrow money, and incur indebtedness, and to refund or retire any debt against the agency or its property. The act also authorizes the issuance of negotiable promissory notes for a term of up to five years and a principal amount of the lesser of \$1 million or 2 percent of the agency's assessed valuation. The 1976 water bonds constitute the agency's only direct debt.

CASTAIC LAKE WATER AGENCY 1976/77 ADOPTED BUDGET

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Cash on hand, July 1, 1976.....	\$1,263,373
Payment due to state, July 1, 1976.....	500,796
Net Working Balance.....	\$ 762,577
Estimated tax revenues.....	\$1,684,800
Interest on time deposits.....	55,000
Total Funds Available.....	\$2,502,377

ESTIMATED EXPENSES

Directors' fees	\$ 3,000
Secretary	6,500
Office expense	21,700
Public information	10,000
State contract expense.....	1,231,174
Engineering	33,000
Water contractors	3,906
Bond election costs.....	15,500
General election costs.....	17,000
Legal services	35,000
	\$1,376,780

PROJECT EXPENSES

Reserve for right-of-way.....	\$ 300,000
Construction—Honby Lateral and App.....	2,000,000
Engineering and construction supervision.....	500,000
Project administration	100,000
	\$2,900,000

Total Expenses\$4,276,780

Balance Required (to come from
bond proceeds).....\$1,774,400

Source: Agency Resolution No. 170, adopting budget and determining amount to be raised by taxation for fiscal year 1976/77.

CASTAIC LAKE WATER AGENCY DIRECT AND OVERLAPPING BONDED DEBT

	Percent Applicable	Debt January 26, 1977
Los Angeles County and Building Authorities	0.858%	\$ 1,093,341
Los Angeles Flood Control District	0.972	4,670,625
Santa Clarita Junior College District	95.293	9,014,718
William S. Hart UHSD.....	95.172-95.293	11,681,536
Newhall School District.....	97.863	2,857,600
Saugus Union School District.	98.742	1,723,048
Sulphur Springs Union School District	96.982-97.814	1,015,573
Los Angeles County Sanitation No. 26 and No. 32	100.	3,020,000
Newhall County Water District 1, 2W, 2S.....	100.	2,160,000
Other Districts	Various	330,744
Castaic Lake Water Agency...	100.	18,600,000 ^①
Total Direct and Overlapping Bonded Debt.....		\$56,167,185

	Ratios to	
	Direct Debt	Total Debt
Assessed valuation (\$250,472,614)...	7.43%	22.42%
Estimated market value (\$919,000,000) ^②	2.02%	6.11%
Population (65,000)	\$286.15	\$864.11

^① To be sold January 26, 1977.

^② According to the State Board of Equalization, property assessed by Los Angeles County (\$226,015,470) is assessed at 27.5% of market value; property assessed by Ventura County (\$1,143,564) is assessed at 27.3% of market value; and utility property (\$23,313,580) is assessed by the State Board of Equalization at 25% of market value.

Source: Compiled in cooperation with California Municipal Statistics, Inc.

ASSESSED VALUATION AND TAX RATES

California's Revenue and Taxation Code Section 401 requires that all property subject to general property taxation be assessed at 25 percent of full cash value. Property in the agency is assessed by the county assessors of Los Angeles and Ventura Counties. Public utility property, assessed by the State Board of Equalization, is also assessed at 25 percent of market value. The State Board of Equalization, which computes the ratio of assessed valuation to market value in each county, reports that in 1976/77 property in Los Angeles County was assessed at 27.5 percent of market value, and property in Ventura County at 27.3 percent of market value.

The accompanying table shows the agency's assessed valuation and tax rate since 1970/71. Over the six years shown, agency assessed valuations have increased at an

average annual compounded rate of 7.4 percent. The 1976/77 assessed valuation is an increase of \$20 million and 8.5 percent over 1975/76. The assessed valuation of property in the portion of the agency in Ventura County totals \$1,573,574, or 0.63 percent of the agency's total 1976/77 assessed valuation.

The table also shows the agency's tax rate for the past six years. The same tax rate is levied throughout the agency on all taxable property.

TAX RATE LIMITATIONS

In 1972 and 1973 the California legislature passed legislation intended to limit increases in ad valorem property tax revenue. This legislation generally limits all future tax rates to that levied in 1971/72, adjusted for increases in population, assessed valuation, and the California Price Index, unless enabling legislation sets a specific rate limitation. Tax levies for duly authorized general obligation bonds are not restricted. Under state law, institution of new ad valorem tax levies by the agency for purposes other than general obligation bond service are limited and may only be authorized by a majority vote.

CASTAIC LAKE WATER AGENCY ASSESSED VALUATION AND TAX RATES

Fiscal Year	Total	Percent Change	Tax Rate*
1970/71.....	\$163,313,382	—	\$0.58
1971/72.....	178,649,073	9.39%	0.58
1972/73.....	192,638,888	7.83	0.65
1973/74.....	191,297,977	-0.70	0.65
1974/75.....	197,683,191	3.34	0.65
1975/76.....	230,776,565	16.74	0.65
1976/77.....	250,472,614	8.53	0.72

* From 1970/71 through 1976/77, average annual rate of increase, compounded annually, was 7.4%.

Source: County Auditor-Controllers, Ventura and Los Angeles Counties.

TAX LEVIES AND DELINQUENCIES

Secured tax levies and delinquencies are shown in the accompanying table. For the 1976/77 fiscal year, taxes unpaid by June 30, 1977 will be put on the delinquent roll.

No taxes have been delinquent in the Ventura County portion of the agency for the past five years. In the Los Angeles County portion of the agency, which contains over 99 percent of the assessed valuation, tax delinquencies on the secured roll were 2.71 percent in 1975/76.

CASTAIC LAKE WATER AGENCY SECURED TAX LEVIES AND DELINQUENCIES

Fiscal Year	Ventura County			Los Angeles County		
	Secured Tax Levy	Amount Delinquent June 30	Percent Delinquent	Secured Tax Levy	Amount Delinquent June 30	Percent Delinquent
1971/72.....	\$ 1,841	—	—	\$ 897,981	\$46,753	5.21%
1972/73.....	12,991	—	—	1,079,701	52,333	4.85
1973/74.....	12,532	—	—	991,743	44,404	4.48
1974/75.....	12,463	—	—	1,016,294	37,389	3.68
1975/76.....	9,484	—	—	1,228,310	33,229	2.71

Source: County Auditor-Controllers, Ventura and Los Angeles Counties.



Newhall Land and Farming Company is engaged in residential, industrial, recreational, and agricultural activities on the Newhall Ranch. The company's residential subsidiary, Valencia Corporation, is developing the master planned community of Valencia, *above*. The most recent division of homes in Valencia was sold out before the models were completed. *Right*, cattle in the loading chutes on Newhall Ranch. *Below left*, oil drilling operations on Newhall Ranch. *Below right*, in 1971 the company opened Magic Mountain amusement center. Attendance in 1975 was estimated at 2.5 million. *Photos courtesy of Newhall Land and Farming Company.*



Castaic Lake Water Agency encompasses a total of 195 square miles, 182 square miles in northwest Los Angeles County, and 13 square miles in Ventura County. The agency includes the populated portions of the Santa Clarita Valley, about 35 miles northwest of the Los Angeles Civic Center. The Santa Clarita Valley, traversed by the Santa Clara River, includes the unincorporated communities of Newhall, Saugus, Valencia, Canyon Country, and Castaic.

The valley's terrain is characterized by rugged canyons, rolling foothills, and level valley floor. Temperatures reach an average high of 92 degrees in the summer, and rarely fall below freezing in the winter. Rainfall averages 12 to 13 inches per year, mostly occurring October through April.

HISTORY

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Natural resources have played an important role in the development of the Santa Clarita Valley ever since the Franciscan fathers began raising cattle and grain to supply Missions San Fernando and San Buenaventura in the 1700's. With the decline of the mission system, the valley was divided into private rancho ownerships.

Gold, discovered first in 1842 in Placerita Canyon, brought new interest to the valley. Increased settlement began in 1848 when gold seekers bound for the Mother Lode country traveled through the valley and purchased provisions from local merchants.

In 1875, oil was discovered in Pico Canyon and the following year, Standard Oil Company built the state's first oil refinery in the canyon. The same year, Henry Mayo Newhall purchased a 40,000-acre ranch originally known as Rancho San Francisco, and began raising field and garden crops, planting orchards, and raising cattle. Southern Pacific completed its railway to the valley and laid out the town of Newhall in 1876.

By the 1920's and '30s, improvements in transportation between urbanizing Los Angeles and the Santa Clarita Valley expanded the valley's truck farming industry. In 1933, Los Angeles County bought 2,800 acres and established Wayside Honor Rancho, the largest correctional farm in the state. In 1958, Lockheed bought 200 acres in Rye Canyon for a research center. During the decade from 1960 to 1970, residential expansion occurred in response to freeway access and population pressure in the San Fernando Valley. Newhall Land and Farming Company, the largest local landowner, began planned development of Valencia and opened Magic Mountain amusement park in 1971.

POPULATION, HOUSING, AND INCOME

The Santa Clarita Valley, lying seven miles north of the populous San Fernando Valley, sustained an average annual population growth rate of 13 percent from 1960 to 1970. Since 1970, population growth has averaged about 4.6 percent per year, compared to a loss of less than 1 percent for Los Angeles County as a whole. The 1970 census reported a total of 15,595 housing units in the Santa Clarita Valley. As of July 1, 1975, housing had increased by 29 percent to 20,188 units, as estimated by the Population Research Section of Los Angeles County Department of Regional Planning.

CASTAIC LAKE WATER AGENCY POPULATION GROWTH

	Los Angeles County	Santa Clarita Valley	Percent of Los Angeles County
1950 census	4,151,687	8,045	0.19%
1960 census	6,083,771	14,987	0.24
1970 census	7,041,980	52,683	0.75
1975 estimate*	6,992,299	65,953	0.94

* Estimate by Population Research Section, Los Angeles County Department of Regional Planning.

The most recent information on median family income, the 1970 census, indicated that the median family income in 1970 was \$11,914 in Newhall and \$17,360 in Valencia. This compared to an overall Los Angeles County figure of \$10,971.

EMPLOYMENT

Major employers based in the agency area are shown in the accompanying table. Most manufacturing is light to medium or research and development. The largest single employer is Hydraulic Research and Manufacturing Company, a manufacturer of hydraulic equipment. Hydraulic Research and Manufacturing Company is a division of Textron, Inc.

Newhall Land and Farming Company, owner of the historic Newhall Ranch and other properties in California, is engaged in four product areas—agriculture, energy, shelter, and recreation. The company employs about 225 permanent full-time employees in Newhall and owns 35,120 acres, or about 29 percent of the water agency's land area and about 7 percent of its assessed valuation. The company's local activities are chiefly development of the planned residential community of Valencia, Valencia Industrial Center, Magic Mountain amusement park, and oil and gas operations on the Newhall Ranch. Newhall Land and Farming Company is listed on the New York Stock Exchange, and financial data on the corporation are on file with the Securities and Exchange Commission.

CASTAIC LAKE WATER AGENCY LOCAL EMPLOYERS

Name of Company	Number of Employees
Hydraulic Research and Manufacturing Company	1,280
Lockheed-Rye Canyon Research Center.....	900
Thatcher Glass Manufacturing Company.....	800
Pacific Telephone Company.....	270
Newhall Land and Farming Company.....	225
Keysor-Century Corporation	200
Bermite, Division of Whittaker Corporation.....	200-300
Fortin Plastics	160
Sperry Univac	140
Foxboro Company	130
Southern California Edison Company.....	110

Source: Community Economic Profile—1976, Newhall-Saugus-Valencia Chamber of Commerce.

Lockheed-Rye Canyon Research Center is engaged in aerospace research, with about 900 employees. Thatcher Glass Manufacturing Company employs about 800 persons in the production of glass containers. Located in Saugus since 1955, it is one of the area's oldest manufacturing firms. Bermite, Division of Whittaker Corporation, has been producing explosives, propellants, and pyrotechnics in the area for about 40 years. Sperry Univac provides computer programming services and plans to increase its current employment of 140 persons to 175 in April 1977. Other employers include the Newhall Refining Company; Keysor-Century Corporation, a chemical manufacturer; and Foxboro Company and Space Ordnance Systems, both manufacturers of electrical instruments.

According to the State Department of Employment, the estimated number of persons employed in the Santa Clarita Valley was 50,000 in 1970 and 72,000 in 1976. The estimate of 72,000 persons working in the Santa Clarita Valley exceeds the valley's most recent population estimate, indicating a certain flow of workers into the area.

AGRICULTURE

The water agency contains about 4,700 net irrigated acres, including those in Wayside Honor Rancho. Irrigated acreage represents about 4 percent of the Castaic Lake Water Agency area. The engineer's future population projections forecast that irrigated agriculture will decrease as urban land uses encroach upon usable cropland. In addition to irrigated cropland, at least 20,000 additional acres within the water agency are devoted to livestock grazing, feedlots, or dry farming. Principal crops grown in the area are alfalfa, citrus, walnuts, carrots, onions, and corn.

REAL ESTATE AND COMMERCIAL ACTIVITY

Valencia Corporation, a subsidiary of Newhall Land and Farming Company, is developing the community of Valencia on about 4,000 acres of the Newhall Ranch. Valencia is a fully master-planned development of a range of housing styles and prices, village-type neighborhoods, a city center, an industrial center, and diversified recreational development. In addition to Valencia Corporation, independent builders such as Larwin Corporation and Pardee Construction, are building residential units in Valencia.

Building permit valuation in the Newhall unincorporated area (including Valencia, Saugus, Canyon Country, and outlying areas) averaged about \$40 million in total valuation per year from 1972 through October 1976, as shown below. Total valuation for the first ten months of 1976 is already twice the total of 1975. Permits have been issued to build an average of 862 housing units per year during the past five years. Average unit valuation ranged from \$14,970 per unit in 1972 to \$34,640 for the ten months of 1976. During 1975, building permit valuation in the Newhall area accounted for about 9 percent of Los Angeles County's total building permit valuation, and for the first ten months of 1976 Newhall's portion is about 14 percent of the county total.

Valencia Corporation is also engaged in development of Valencia Industrial Center, adjacent to Interstate 5 north of Saugus. Occupants of the 1,000-acre industrial area include Lockheed, Hydraulic Research and Manufacturing Company, Foxboro Company, Fortin Plastics, Southern California Edison Company, and Sperry Univac. Two other developers, Golden Triangle Properties, with 250 acres and Flair Industrial Park with 85 acres, offer additional land for industrial development. All three industrial parks lie adjacent to the Southern Pacific main line.

Retail trade is concentrated in the commercial areas of Newhall and Valencia, and in suburban shopping centers

in Newhall, Valencia, and Canyon Country. The Newhall-Valencia-Saugus Chamber of Commerce estimated in July 1975 that retail sales and services accounted for an aggregate employment of about 1,275 at that time.

TRANSPORTATION

Interstate 5, a major north-south freeway linking Southern California with the Pacific Northwest, passes through the Santa Clarita Valley. The freeway provides direct transportation between the Newhall-Saugus-Valencia-Canyon Country area and the San Fernando Valley and Los Angeles basin. State Route 126 parallels the Santa Clara River from Castaic Junction to the City of Ventura, and State Route 14 (the Antelope Valley freeway) connects Newhall and the Lancaster-Palmdale area.

Southern Pacific provides rail freight service through the Santa Clarita Valley to all major Los Angeles area terminals. Major trucking lines based in Los Angeles also serve the Santa Clarita Valley with overnight delivery to San Francisco, San Diego, and Phoenix. Hollywood-Burbank Airport, 18 miles from Newhall, provides intrastate and some out-of-state service.

EDUCATION

Colleges serving the Santa Clarita Valley include College of the Canyons, California Institute of the Arts, Los Angeles Baptist College, and California State College at Northridge, about 20 miles south.

College of the Canyons in Valencia is a two-year fully-accredited community college with an enrollment of about 3,500 day and night students. California Institute of the Arts, also in Valencia, is a \$25 million campus endowed by the late Walt Disney. The college, opened in 1971, provides undergraduate and graduate studies in the fine arts. Enrollment is about 620, and faculty numbers about 90.

CASTAIC LAKE WATER AGENCY TOTAL BUILDING PERMITS, VALUATION, AND DWELLING UNITS NEWHALL-SAUGUS-VALENCIA-CANYON COUNTRY AREA

	Building Permits	Total Valuation	Housing Units	Valuation Housing Only	Average Housing Valuation
1972	2,523	\$24,900,790	1,142	\$17,099,850	\$14,970
1973	2,070	29,510,010	809	13,664,690	16,890
1974	2,305	23,250,620	556	12,514,990	22,510
1975	2,566	41,344,750	984	27,167,830	27,610
1976*	2,228	81,710,430	820	28,405,130	34,640

* First ten months.

Source: County of Los Angeles, Department of County Engineer, Building and Safety Division.

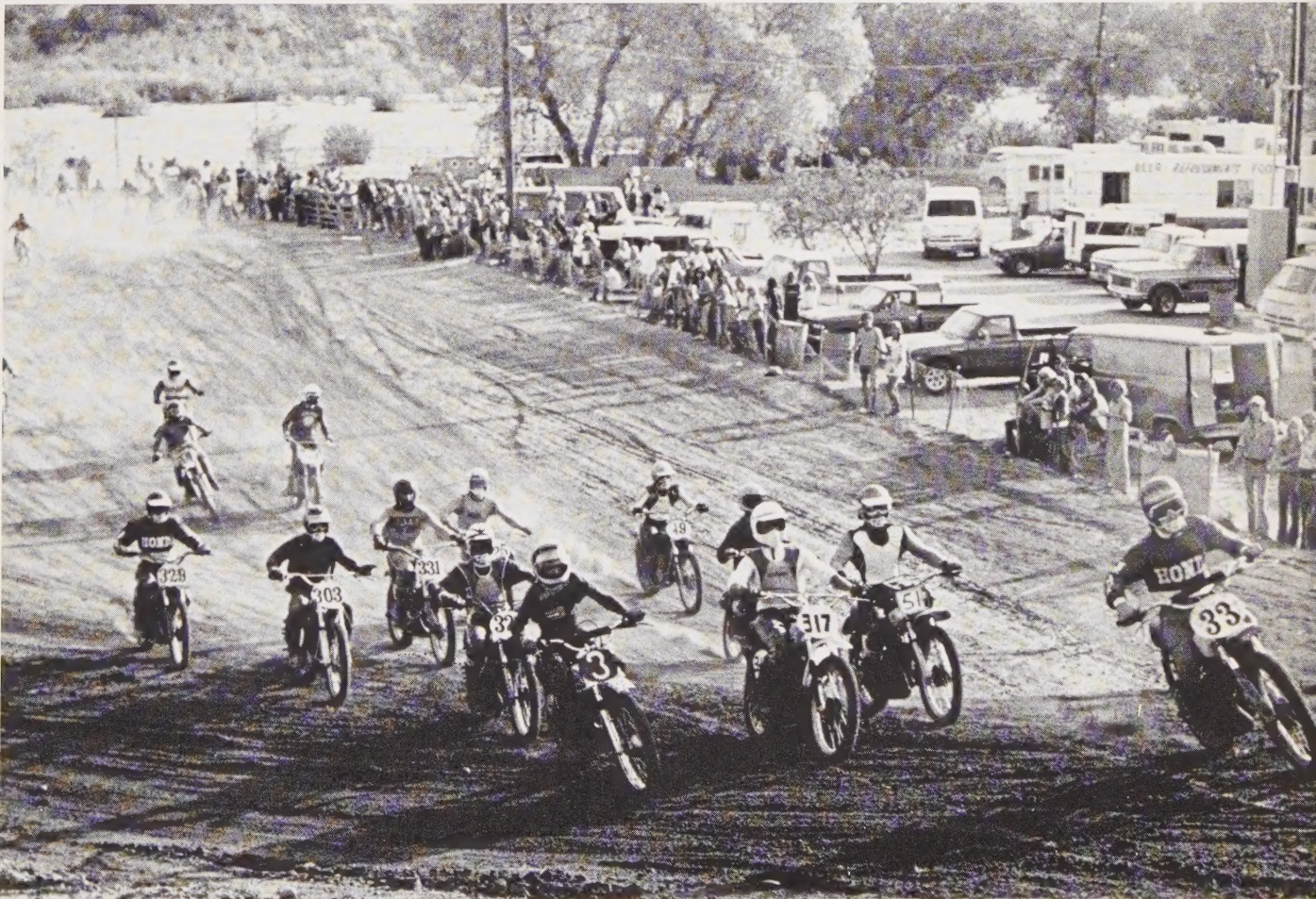
RECREATION AND TOURISM

Castaic Lake, in addition to providing water for the agency's service area, is a recreational facility. Boating, waterskiing, fishing, and swimming are available, and the 1,400 acres of forest land around the lake have been developed for hiking and camping. The surrounding Angeles National Forest provides a variety of winter and summer outdoor sports opportunities.

Magic Mountain, opened in 1971, is a family ride amusement center on 200 acres of the Newhall Ranch. Newhall Land and Farming Company, developer of the park, estimates that the park received 2.5 million visitors during 1975. The developer also operates three public golf courses, a trailbike and motocross park, a campground, and many of the visitor facilities at Castaic Lake.

About 15 miles west of Newhall, outside the water agency's boundary, are Lake Piru and the adjacent Val Verde Park. Other recreational areas in the Santa Clarita Valley include Placerita Canyon State Park, Wm. S. Hart Regional Park, and Vasquez Rocks County Regional Park.

Right, in 1976 Magic Mountain opened a "loop coaster," the world's first 360 degree vertical loop which rises more than 90 feet in the air. Newhall Land and Farming Company, which operates Magic Mountain, also operates Indian Dunes, a motor bike park, below. Photos courtesy of Newhall Land and Farming Company.



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